

Washington, like electronics and airplanes. We enjoy a sizable trade surplus with Australia and since this agreement commits Australia to immediately remove tariffs on nearly every U.S. export to Australia, it will instantly provide further market access for products that come from the United States. In addition, Australia invests significantly in the United States, directly employing thousands and thousands of American jobs.

Third, Australia exports many products that Americans enjoy—like fine wines and many agricultural products. Since this agreement requires the U.S. to remove many of our tariffs on Australian goods, they immediately become more affordable to American consumers.

Although I support this agreement, I remain deeply concerned about the direction that the Bush Administration is taking this country, particularly with regard to our economy and our trade policy, which profoundly affects the ability of our country to maintain and create good paying jobs.

America's best export has always been the democratic values that we hold dear. While capitalism and open markets may boost trade flows, democratic values must also be a centerpiece of U.S. trade policy. Regrettably, this agreement continues to embody a short-sighted approach toward international trade that the Bush Administration has employed for the last 4 years. The USAFTA fails to lock in international labor and environment standards. It only requires the United States and Australia to continue to enforce their own labor and environment laws. This approach, if employed in future trade agreements with less developed countries, would do little to raise living standards in countries whose labor and environmental laws do not meet international standards. Furthermore, this approach would force American workers to compete on an uneven playing field. I do not think that is a direction that our country should go.

Today, however, the Congress considered liberalizing trade with Australia, a country that has well-developed labor and environmental laws, and a good track record for enforcing these laws, so I will not let Perfect be the enemy of Good. Our international assistance and trade programs should aim to raise living conditions here and abroad. Ultimately, I believe that the USAFTA advances these interests.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

#### SUTA DUMPING PREVENTION ACT OF 2003

Mr. HERGER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3463) to amend titles III and IV of the Social Security Act to improve the administration of unemployment taxes and benefits, as amended.

The Clerk read as follows:

H.R. 3463

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "SUTA Dumping Prevention Act of 2003".

#### SEC. 2. TRANSFER OF UNEMPLOYMENT EXPERIENCE UPON TRANSFER OR ACQUISITION OF A BUSINESS.

(a) IN GENERAL.—Section 303 of the Social Security Act (42 U.S.C. 503) is amended by adding at the end the following:

"(k)(1) For purposes of subsection (a), the unemployment compensation law of a State must provide—

"(A) that if an employer transfers its business to another employer, and both employers are (at the time of transfer) under substantially common ownership, management, or control, then the unemployment experience attributable to the transferred business shall also be transferred to (and combined with the unemployment experience attributable to) the employer to whom such business is so transferred,

"(B) that unemployment experience shall not, by virtue of the transfer of a business, be transferred to the person acquiring such business if—

"(i) such person is not otherwise an employer at the time of such acquisition, and

"(ii) the State agency finds that such person acquired the business solely or primarily for the purpose of obtaining a lower rate of contributions,

"(C) that unemployment experience shall (or shall not) be transferred in accordance with such regulations as the Secretary of Labor may prescribe to ensure that higher rates of contributions are not avoided through the transfer or acquisition of a business,

"(D) that meaningful civil and criminal penalties are imposed with respect to—

"(i) persons that knowingly violate or attempt to violate those provisions of the State law which implement subparagraph (A) or (B) or regulations under subparagraph (C), and

"(ii) persons that knowingly advise another person to violate those provisions of the State law which implement subparagraph (A) or (B) or regulations under subparagraph (C), and

"(E) for the establishment of procedures to identify the transfer or acquisition of a business for purposes of this subsection.

"(2) For purposes of this subsection—

"(A) the term 'unemployment experience', with respect to any person, refers to such person's experience with respect to unemployment or other factors bearing a direct relation to such person's unemployment risk;

"(B) the term 'employer' means an employer as defined under the State law;

"(C) the term 'business' means a trade or business (or [an identifiable and segregable] a part thereof);

"(D) the term 'contributions' has the meaning given such term by section 3306(g) of the Internal Revenue Code of 1986;

"(E) the term 'knowingly' means having actual knowledge of or acting with deliberate ignorance or or reckless disregard for the prohibition involved; and

"(F) the term 'person' has the meaning given such term by section 7701(a)(1) of the Internal Revenue Code of 1986."

(b) STUDY AND REPORTING REQUIREMENTS.—

(1) STUDY.—The Secretary of Labor shall conduct a study of the implementation of the provisions of section 303(k) of the Social Security Act (as added by subsection (a)) to assess the status and appropriateness of State actions to meet the requirements of such provisions.

(2) REPORT.—Not later than July 15, [2006] 2007, the Secretary of Labor shall submit to the Congress a report that contains the findings of the study required by paragraph (1) and recommendations for any Congressional action that the Secretary considers necessary to improve the effectiveness of section 303(k) of the Social Security Act.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall, with respect to a State, apply to certifications for payments (under section 302(a) of the Social Security Act) in rate years beginning after the end of the 26-week period beginning on the first day of the first regularly scheduled session of the State legislature beginning on or after the date of the enactment of this Act.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

(2) the term "rate year" means the rate year as defined in the applicable State law; and

(3) the term "State law" means the unemployment compensation law of the State, approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1986.

#### SEC. 3. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended by adding at the end the following:

"[(7)] (8) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.—

"(A) IN GENERAL.—If, for purposes of administering an unemployment compensation program under Federal or State law, a State agency responsible for the administration of such program transmits to the Secretary the names and social security account numbers of individuals, the Secretary shall disclose to such State agency information on such individuals and their employers maintained in the National Directory of New Hires, subject to this paragraph.

"(B) CONDITION ON DISCLOSURE BY THE SECRETARY.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

"(C) USE AND DISCLOSURE OF INFORMATION BY STATE AGENCIES.—

"(i) IN GENERAL.—A State agency may not use or disclose information provided under this paragraph except for purposes of administering a program referred to in subparagraph (A).

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair